

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

BILL NO. 07-54

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 07-35

Date: December 11, 2007

A BILL approving and providing for a multi-year Installment Purchase Agreement by Harford County, Maryland (the "County") to acquire the land, buildings, property and other improvements at 112 South Hickory Avenue, Bel Air, Maryland, containing 16,500 square feet, more or less, from Paca Limited, Inc., a Maryland Corporation, or any other owner thereof for a maximum purchase price of \$1,800,000.00, providing that the County's obligation to pay such purchase price and interest thereon shall be a full faith and credit general obligation of the County; providing for the levying of taxes for such payments; authorizing the County Executive to make modifications in such Agreement under certain circumstances; providing for and determining various matters in connection therewith.

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on: January 8, 2008
at: 7:00 p.m.

By Order: Barbara J. O'Connor, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on January 8, 2008, and concluded on January 8, 2008.

Barbara J. O'Connor, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

RECITALS

In accordance with the provisions of Section 524 of the Charter of Harford County (the "Charter"), the Annual Budget and Appropriation Ordinance of Harford County, Maryland (the "County") for fiscal year 2008, Bill No. 07-13 (the "Budget Ordinance") includes appropriations which provide funds for the acquisition of land, which Budget Ordinance was adopted by the County Council of Harford County, Maryland (the "County Council"), in accordance with the Charter.

Section 520 of the Charter provides that "any contract, lease or other obligation in excess of three thousand dollars (\$3,000) requiring the payment of funds from the appropriations of a later fiscal year shall be authorized by legislative act", and Section 524 of the Charter provides that the County may incur debt.

The County has received an Agreement of Purchase and Sale between Paca Limited Inc., as Seller, and Harford County, Maryland, as Buyer, executed on behalf of Paca Limited Inc. pursuant to which the Seller would sell to the County certain real property located at 112 South Hickory Avenue, Bel Air, Maryland, containing approximately 16,500 square feet (the "Agreement"). The Agreement would provide for payment at closing which is anticipated to be between September 1, 2008 and September 15, 2008, of cash in the amount of not less than One Hundred Thousand Dollars (\$100,000) and not more than Five Hundred Thousand Dollars (\$500,000) and payment of the deferred purchase price of not more than One Million Seven Hundred Thousand Dollars (\$1,700,000) on the tenth anniversary of the Date of Closing with interest being payable by the County at the rate of 5.75%.

The Agreement and the obligation of the County is subject to approval by the Harford County Board of Estimates and the County Council of Harford County, Maryland.

1 Attached to this Bill as Exhibit A is a copy of the Agreement signed by the landowner,
2 Paca Limited, Inc., for the purchase by the County of the land and buildings at 112 South
3 Hickory Avenue, Bel Air, Maryland.

4 On December 6, 2007, the Harford County Board of Estimates approved the Agreement.

5 The County has now determined to enter into an Installment Purchase Agreement with
6 Paca Limited, Inc., or any other person who is or becomes the owner of all or any portion of the
7 Land (hereinafter defined) prior to execution and delivery of the Installment Purchase
8 Agreement, in order to acquire the land and buildings containing 16,500 square feet, more or
9 less, located at 112 South Hickory Avenue, Bel Air, Maryland within the County for an aggregate
10 purchase price of \$1,800,000 plus interest thereon.

11
12 NOW, THEREFORE:

13 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
14 COUNTY, MARYLAND, That

15 (a) Harford County, Maryland (the "County") shall enter into an Installment
16 Purchase Agreement (the "Installment Purchase Agreement") with Paca Limited, Inc. or any
17 person who is or becomes the owner of all or any portion of the Land (hereinafter defined) prior
18 to the execution and delivery of the Installment Purchase Agreement (the "Seller") in order to
19 acquire the land and buildings on approximately 16,500 square feet of land, more or less, located
20 at 112 South Hickory Avenue, Bel Air, Maryland within the County (the "Land"), for an
21 aggregate purchase price not in excess of \$1,800,000 (the "Purchase Price"), plus interest thereon
22 as hereinafter provided. The aggregate Purchase Price shall be set forth in the Agreement
23 between the County and the Seller, and the deferred portion of the Purchase Price not paid at
24 closing, shall be set forth in the Installment Purchase Agreement hereinabove described;

Client Documents:4853-1918-8994v1|00998-000469|12/4/2007

1 (b) The Installment Purchase Agreement shall be in substantially the form
2 attached hereto as Exhibit B and made a part hereof, and in such form the Installment Purchase
3 Agreement is hereby approved as to form and content. The Installment Purchase Agreement
4 shall be dated as of the date of its execution and delivery by the County and the Seller (the
5 "Closing Date");

6 (c) A portion of the Purchase Price, in the amount determined as hereinafter
7 provided, shall be paid in cash on the Closing Date. The balance of the Purchase Price shall be
8 paid to the Seller ten (10) years after the Closing Date;

9 (d) Interest on the unpaid balance of the Purchase Price shall accrue from the
10 Closing Date and shall be payable at least annually in each year, commencing on the first of such
11 dates to follow the Closing Date and continuing to and including a date not more than ten (10)
12 years after the Closing Date at an interest rate equal to 5.75% per annum. Interest shall be
13 calculated on the basis of a 360-day year of twelve 30-day months;

14 (e) The County's obligation to make payments of the Purchase Price under the
15 Installment Purchase Agreement and to pay interest thereon is and shall be a general obligation of
16 the County and is and shall be made upon its full faith and credit.

17 SECTION 2. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
18 HARFORD COUNTY, MARYLAND,

19 That it is hereby found and determined that:

20 (a) The acquisition of the land and buildings as set forth in Section 1 of this
21 Bill and in the form of the Installment Purchase Agreement attached hereto as Exhibit B is in the
22 best interests of the County;

1 (b) The Installment Purchase Agreement is a contract providing for the
2 payment of funds at a time beyond the fiscal year in which it is made and requires the payment of
3 funds from appropriations of later fiscal years;

4 (c) Funds for the payment of the Purchase Price under the Installment
5 Purchase Agreement are included in the Budget Ordinance, As Amended;

6 (d) The County shall acquire the land and buildings in perpetuity;

7 (e) The deferred portion of the Purchase Price is within the legal limitation on
8 the indebtedness of the County as set forth in Article 25A, § 5(P) of the Annotated Code of
9 Maryland;

10 (f) The cost of acquiring the land and buildings is equal to the Purchase Price;

11 (g) The only practical way to acquire the land and buildings is by private
12 negotiated agreement between the County and the Seller.

13 SECTION 3. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
14 HARFORD COUNTY, MARYLAND, That the County Executive and the Director of
15 Administration are authorized to execute the Agreement to acquire the Land and buildings
16 thereon.

17 SECTION 4. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
18 HARFORD COUNTY, MARYLAND, That the Installment Purchase Agreement shall be signed
19 by the County Executive of the County (the "County Executive") by his manual signature, and
20 the Installment Purchase Agreement shall bear the corporate seal of the County, attested by the
21 manual signature of the Director of Administration of the County (the "Director of
22 Administration"). In the event that any officer whose signature shall appear on the Installment
23 Purchase Agreement shall cease to be such officer before the delivery of the Installment Purchase

Agreement, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

SECTION 5. AND BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the County Executive and the Treasurer are hereby authorized, prior to execution and delivery of the Installment Purchase Agreement, to make such changes or modifications in the form of the Installment Purchase Agreement attached hereto as Exhibit B as may be required or deemed appropriate by them in order to accomplish the purpose of the transactions (including, but not limited to, determining the portion of the Purchase Price to be paid in cash on the Closing Date and establishment of interest and principal payment dates in each year that the Installment Purchase Agreement is outstanding) authorized by this Bill; provided that such changes shall be within the scope of the transactions authorized by this Bill and the execution of the Installment Purchase Agreement by the County Executive shall be conclusive evidence of the approval by the County Executive of all changes or modifications in the form of the Installment Purchase Agreement and shall thereupon become binding upon the County in accordance with its terms, as authorized by Section 524 of the Charter and as provided for in this Bill (collectively, the "Enabling Legislation").

SECTION 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the County Executive, the Director of Administration, the Treasurer of the County and other officials of the County are hereby authorized and empowered to do all such acts and things and to execute, acknowledge, seal and deliver such documents (including a Tax Certificate and Compliance Agreement) and certificates as the County Executive may determine to be necessary to carry out and comply with the provisions of this Bill subject to the limitations set forth in the Enabling Legislation.

SECTION 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That the Treasurer of the County is hereby designated and appointed as registrar and paying agent for the Installment Purchase Agreement (the "Registrar"). The Registrar shall maintain, or cause to be maintained, books of the County for the registration and transfer of ownership of the Installment Purchase Agreement. In addition, the County may, from time to time, designate and appoint the Department of the Treasury of the County, any officer or employee of the County or one or more banks, trust companies, corporations or other financial institutions to act as a substitute or alternate registrar or paying agent for the Installment Purchase Agreement, and any such substitute or alternate shall be deemed to be the Registrar or an alternate Registrar for all purposes specified in the resolution appointing such substitute or alternate. Any such appointment shall be made by the County Council by resolution and the exercise of such power of appointment, no matter how often, shall not be an exhaustion thereof.

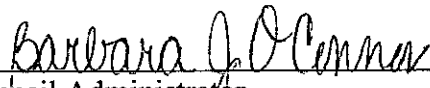
SECTION 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND, That for the purpose of paying the installments of the deferred portion of the Purchase Price when due and payable and the interest on the unpaid portion of the Purchase Price when due and payable, there is hereby levied, and there shall hereafter be levied in each fiscal year that any portion of the Purchase Price payable under the Installment Purchase Agreement remains outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County, without limitation of rate or amount, and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient, to pay any installment of the deferred portion of the Purchase Price under the Installment Purchase Agreement maturing during the succeeding year and to pay the annual interest on the outstanding

1 balance of the Purchase Price until all of the Purchase Price under the Installment Purchase
2 Agreement and such interest have been paid in full; and the full faith and credit and the unlimited
3 taxing power of the County are hereby irrevocably pledged to the punctual payment of the
4 Purchase Price under the Installment Purchase Agreement and the interest on the unpaid balance
5 of the Purchase Price as and when the same respectively become due and payable.

6 SECTION 9. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
7 HARFORD COUNTY, MARYLAND, That this Bill shall take effect sixty (60) calendar days
8 after it becomes law.

9 EFFECTIVE: March 24, 2008

10 The Council Administrator of the Council does
11 hereby certify that fifteen (15) copies of this Bill are
12 immediately available for distribution to the public
13 and the press.

14 
15 _____
16 Council Administrator

HARFORD COUNTY BILL NO. 07-54

Brief Title Installment Purchase – 112 S. Hickory Avenue

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Barbara J. O'Connor
Council Administrator

Date January 15, 2008

ENROLLED

Billy Boniface
Council President

Date January 15, 2008

BY THE COUNCIL

Read the third time.

Passed: LSD 08-02

Failed of Passage: _____

By Order

Barbara J. O'Connor
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 16th day of January, 2008 at 3:00 p.m.

Barbara J. O'Connor
Council Administrator



BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date January 24, 2008

BY THE COUNCIL

This Bill No. 07-54 having been approved by the Executive and returned to the Council, becomes law on January 24, 2008.

EFFECTIVE DATE: March 24, 2008

Barbara J. O'Connor
Barbara J. O'Connor,
Council Administrator

EXHIBIT A

Agreement of Purchase and Sale between Paca Limited, Inc. and Harford County, Maryland

AGREEMENT OF PURCHASE AND SALE

BY AND BETWEEN

PACA LIMITED, INC.

"SELLER"

AND

HARFORD COUNTY, MARYLAND

"BUYER"

dated

November ____, 2007

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Explanatory Statement

B. Buyer desires to purchase and Seller desires to sell the Property on the terms and conditions set forth below.

Agreement

1. PURCHASE AND SALE.

(a) The "Land": Fee title to that certain tract or parcel of land, together with all rights, easements and interests appurtenant thereto including, but not limited to, any streets or other public ways adjacent to said tract or parcel and any water or mineral rights owned by, or leased to, Seller, which is described on Exhibit A-1 attached hereto and made a part hereof.

(c) The "Improvements": All of the buildings, structures, fixtures and other improvements located on the Land, including, but not limited to, the Building, and all other on-site structures, systems, and utilities associated with the Building, but excluding improvements, if any, owned by any tenant(s) located therein.

(e) The "Personal Property": All of Seller's right, title and interest in and to all tangible personal property upon the Land or within the Improvements, including, without limitation, heating, ventilation and air conditioning systems and equipment, appliances, furniture, tools and supplies, owned by Seller and used by Seller in connection with the ownership and

operation of the Land and the Improvements, but excluding any and all items of tangible personal property owned by the tenants under the Leases (the "Tenants").

(f) The "Contracts": All of Seller's right, title and interest in and to all contracts and agreements to which Seller is party (other than Leases) relating to the upkeep, repair, maintenance, leasing or operation of any or all of the Land, Improvements and the Personal Property ("Existing Contracts") and all comparable contracts, agreements or arrangements into which Seller enters prior to Closing ("New Contracts") pursuant to this Agreement.

(g) The "Intangibles": To the extent transferable, all of Seller's right, title and interest (if any) in and to all intangible assets of any nature relating to any or all of the Land, the Improvements and the Personal Property, including, but not limited to, (i) all guaranties and warranties issued with respect to the Personal Property or the Improvements; (ii) all plans and specifications, drawings and prints describing the Improvements; (iii) trademarks or trade names associated with the Improvements; and (iv) all licenses, permits, approvals, certificates of occupancy, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted by any governmental authority in connection with the Land or the Improvements.

1.2. Sale of Property. Seller agrees to sell and convey the Property to Buyer, and Buyer agrees to purchase the Property from Seller, for the purchase price set forth below and on the terms and conditions set forth in this Agreement; provided, however, that, as set forth later in this Agreement, the Property shall be sold and conveyed by Seller to Buyer at Closing free and clear of all Leases and Contracts.

2. PURCHASE PRICE.

2.1. Purchase Price. The total purchase price to be paid to Seller by Buyer for the Property shall be One Million, Eight Hundred Thousand Dollars (\$1,800,000.00) (the "Purchase Price"), plus or minus prorations as hereinafter provided.

2.2. **Payment of Purchase Price.** The Purchase Price shall be payable as follows:

2.2.1. At the Closing and upon the consummation of the sale in accordance with the terms of this Agreement, the Buyer shall pay to Seller a sum equal to the Purchase Price, plus or minus proration as hereinafter provided, less an amount to be determined by the Seller by written notice to Buyer on or before January 3, 2008 which amount to be no more than \$1,700,000 and no less than the sum of One Million. Three Hundred Thousand Dollars (\$1,300,000.00)(the "Deferred Purchase Price"). In the event that written notice is not received by the Buyer on or before January 3, 2008, the Deferred Purchase Price shall be \$1,300,000, and \$500,000 of the Purchase Price shall be paid in cash (or equivalent) on the Closing Date.

2.2.2. The Deferred Purchase Price shall be a payment obligation of the Buyer which shall survive any Closing and the delivery of the Seller's Deed to the Property and which shall be backed by the full faith and credit of the Buyer. The Deferred Purchase Price shall be repaid together with all accrued interest thereon, as follows:

the Improvements shall be free and clear of liens, claims and encumbrances, as well as the rights or claims of any tenants or parties in possession under any Leases, and free and clear of the claims of all parties under any Contracts, but subject to the following items (the "Permitted Exceptions"):

6.1.1. taxes not yet due and payable;

6.1.2. those matters that may be approved (or deemed approved) by Buyer pursuant to Section 6.3 or Section 9.1;

6.1.3. those exceptions and other matters set forth on Exhibit B attached hereto;

6.1.4. local, state and federal laws, ordinances, rules and regulations, including, but not limited to, zoning ordinances (those liens, claims, encumbrances and matters referred to in items 6.1.1 to 6.1.4 being referred to as the "Existing Permitted Exceptions")

6.1.5. (those matters disclosed by the Survey (as hereinafter defined); and

6.1.6. matters arising out of any act of Buyer or Buyer's Representatives.

6.2. **Title Commitment.** Promptly after the receipt of the same (and in any event within ninety (90) days after the Effective Date (the "**Title Commitment Deadline**")), Buyer shall deliver to Seller (i) a commitment (the "**Title Commitment**") issued by a nationally recognized title insurance company having offices in Maryland and chosen by Buyer (the "**Title Company**"), for an owner's title insurance policy with respect to the Land (the "**Title Policy**"), in the full amount of the Purchase Price, together with copies of all recorded documents evidencing title exceptions raised in "Schedule B" of such Title Commitment, as well as (ii) a survey of the Land and the Improvements (the "**Survey**"). It shall be a condition precedent to Buyer's obligation to proceed to Closing that, at Closing, the Title Company shall issue the Title Policy (or a "marked" Title Commitment) insuring, in the full amount of the Purchase Price, Buyer as the fee simple owner of the Land and the Improvements, subject only to the Permitted Exceptions. If the foregoing condition precedent fails for any reason other than the actions or omissions of Buyer, Buyer may elect to either (i) proceed to Closing and waive the failure of such condition or (ii) terminate this Agreement by delivery of written notice to Seller on or prior to Closing, in which event neither party shall have any further liabilities or obligations hereunder except for those liabilities and obligations that expressly survive a termination of this Agreement.

6.3. Defects and Cure.

6.3.1. Buyer's Defect Notices. If the Survey or the Title Commitment discloses exceptions to title other than the Existing Permitted Exceptions (such exceptions to title being referred to as the "**Disclosed Exceptions**"), then Buyer shall have until that date that is five (5) business days prior to the Approval Date, within which to notify Seller of any such Disclosed Exceptions to which Buyer objects (any such notice, a "**Defect Notice**"). Notwithstanding anything contained herein to the contrary, Buyer shall have no right to object to any matters disclosed by the Survey or the Title Commitment (or any further updates to either of the foregoing) unless Buyer delivers a Defect Notice with respect to the Title Commitment and/or the Survey, as the case may be, on or prior to the Approval Date. Any exceptions to title

(other than the Existing Permitted Exceptions and the Disclosed Exceptions) that arise between the effective date of the Title Commitment or the Survey, as the case may be, and the Closing are referred to herein as "**New Defects.**" Buyer shall have five (5) business days after its receipt of written notice or updated title evidence reflecting any New Defects within which to notify Seller in writing of any such New Defects to which Buyer objects.

6.3.2. **Seller's Response Notices.** Seller shall be obligated to cure and remove all of the following classes of New Defects and Disclosed Exceptions ("**Mandatory Cure Items**"), if any: (i) the liens of any mortgage, trust deed or deed of trust evidencing an indebtedness owed by Seller; (ii) tax liens for delinquent ad valorem real estate taxes; (iii) mechanics liens pursuant to a written agreement either between (x) the claimant (the "**Contract Claimant**") and Seller or its employees, officers or managing agents (the "**Seller Parties**") or (y) the Contract Claimant and any other contractor, materialman or supplier with which Seller or the Seller Parties have a written agreement; and (iv) broker's liens pursuant to a written agreement between the broker and Seller or any Seller Parties. Seller may elect, in its sole discretion, to cure and remove any Disclosed Exception or New Defect identified by Buyer in a Defect Notice by delivering written notice to Buyer (a "**Seller's Response Notice**") indicating that Seller has elected to cure and remove any such matters (any such matters that Seller elects to cure and remove, "**Seller Cure Items**") not later than the sooner to occur of (i) five (5) business days after Seller's receipt of the applicable Defect Notice; or (ii) Closing. Seller shall have until Closing to cure and remove any Seller Cure Items, and, Seller may delay Closing by up to ten (10) business days in order to cure and remove (or procure title insurance over) any such Seller Cure Items. If Seller fails to provide a Seller's Response Notice, Seller shall be deemed to have delivered a Seller's Response Notice electing not to cure and remove (or procure title insurance over) any New Defects or Disclosed Exceptions identified by Buyer in the applicable Defect Notice. If Seller elects (or is deemed to elect) not to cure and remove any Disclosed Exceptions or New Defects, Buyer may elect, in its sole discretion and as its sole remedy hereunder, at law or in equity, by delivery of written notice to Seller not later than the first to occur of (i) the date that is five (5) business days after Buyer's receipt (or deemed receipt) of a Seller's Response Notice; or (ii) Closing, to either (a) proceed to Closing with title to the Land and the Improvements, subject to those Disclosed Exceptions or New Defects, as the case may be, that Seller has refused (or is deemed to have refused) to cure or remove, without deduction or offset against the Purchase Price or (b) terminate this Agreement, in which event neither party shall have any further liabilities or obligations pursuant to this Agreement except those liabilities or obligations that expressly survive termination of this Agreement. If Buyer fails to timely notify Seller of its election pursuant to the preceding sentence, Buyer shall be deemed to have elected alternative (a).

6.3.3. Title Cure Provisions. If, on or prior to Closing, Seller fails to cure and remove, or otherwise resolve, to Buyer's reasonable satisfaction, each Disclosed Exception or New Defect (other than Mandatory Cure Items), at the case may be, that Seller agreed to cure (pursuant to a Seller's Response Notice), Buyer may, at its option and as its sole remedy hereunder, at law or in equity, either (i) terminate this Agreement by written notice to Seller on or prior to Closing, in which event this Agreement, without further action of the parties, shall become null and void and neither party shall have any further liabilities or obligations under this Agreement except for those liabilities or obligations which expressly survive termination of this Agreement; or (ii) elect to consummate the Closing with title to the

7.1. **Seller's Representations.** Seller represents and warrants to Buyer that the following matters (the "Seller Representations") are true as of the Effective Date, in all material respects, except as may otherwise be provided in the Documents or on Exhibit D attached hereto and made a part hereof.

7.1.2. United States Person. Seller is a "United States Person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended, and shall execute and deliver an "Entity Transferor" certification at Closing.

7.1.4. Environmental Matters. Seller has not received written notification from any governmental authority and, to Seller's knowledge, it is not the case, that (x) all or some portion of the Land and the Improvements violates any Environmental Laws (as hereinafter defined); or (y) any Hazardous Substances (as hereinafter defined) have been stored or generated at, released or discharged from or are present upon the Land and the Improvements, except in the ordinary course of business and in accordance with all Environmental Laws. As used herein, "**Hazardous Substances**" means all hazardous or toxic materials, substances, pollutants, contaminants, or wastes currently identified as a hazardous substance or waste in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (commonly known as "**CERCLA**") as amended, the Superfund Amendments and Reauthorization Act (commonly known as "**SARA**"), the Resource Conservation and Recovery Act (commonly

known as "RCRA"), or any other federal, state or local legislation or ordinances applicable to the Land or the Improvements. As used herein, the term "Environmental Laws" shall mean all federal, state and local environmental laws, rules, statutes, directives, binding written interpretations, binding written policies, ordinances and regulations issued by any governmental authority and in effect as of the date of this Agreement with respect to or which otherwise pertain to or affect the Land or the Improvements, or any portion thereof, the use, ownership, occupancy or operation of the Land or the Improvements, or any portion thereof, or any owner of the Land, and as same have been amended, modified or supplemented from time to time prior to the date of this Agreement, including but not limited to CERCLA, the Hazardous Substances Transportation Act (49 U.S.C. § 1802 et seq.), RCRA, the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), SARA, other comparable state and local laws, and any and all rules and regulations which have become effective prior to the date of this Agreement under any and all of the aforementioned laws.

7.1.5. Underground Storage Tanks. To Seller's knowledge, there are not now, nor have there been during Seller's period of ownership, any above-ground or underground storage tanks located in or under the Property; however, Seller discloses to Buyer that there are two underground grease traps in the ground beneath the parking lot.

7.1.6. Due Authorization; Conflict.

7.1.6.1. Seller is a corporation, duly organized, validly existing and in good standing under the laws of the State of Maryland.

7.1.6.2. Seller has full power to execute, deliver and carry out the terms and provisions of this Agreement and each of the other agreements, instruments and documents herein required to be made or delivered by Seller pursuant hereto, and has taken, or will take prior to Closing, all necessary action to authorize the execution, delivery and performance of this Agreement and such other agreements, instruments and documents.

7.1.6.3. The individuals executing this Agreement and all other agreements, instruments and documents herein required to be made or delivered by Seller pursuant hereto on behalf of Seller are and shall be duly authorized to sign the same on Seller's behalf and to bind Seller thereto.

7.1.6.4. The execution and delivery of, and consummation of the transactions contemplated by, this Agreement are not prohibited by, and will not conflict with, constitute grounds for termination of, or result in the breach of, any of the agreements or instruments to which Seller is now party or by which it is bound, or any order, rule or regulation of any court or other governmental agency or official.

7.1.7. Enforceability. This Agreement has been, and each and all of the other agreements, instruments and documents herein required to be made by Seller pursuant

hereto have been, or on the Closing Date will have been, executed by or on behalf of Seller, and when so executed, are and shall be legal, valid and binding obligations of Seller enforceable against Seller in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights of creditors generally and, as to enforceability, the general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

7.1.8. Leases; Rents. There are no existing leases, whether oral or written, agreements of sale, options, tenancies, licenses or any other claims to possession affecting the Property except as listed on the Rent Roll attached hereto as **Exhibit A-1** and all such leases, shall terminate not later than August 31, 2008 and the land and improvements shall not contain any property of tenants on September 14, 2008.

7.1.9. Insurance. All insurance policies to which Seller is a party or that provide coverage to Seller with respect to the Property or with respect to the Seller's ownership and operation thereof are (i) currently valid, outstanding, and enforceable by Seller; and (ii) are sufficient for compliance with all legal requirements and Contracts or Leases to which Seller is a party or by which any of them is bound.

7.1.10. Bankruptcy Matters. Seller has not made a general assignment for the benefit of creditors, filed any voluntary petition in bankruptcy or suffered the filing of an involuntary petition by its creditors, suffered the appointment of a receiver to take possession of substantially all of its assets, suffered the attachment or other judicial seizure of substantially all of its assets, admitted its inability to pay its debts as they come due, or made an offer of settlement, extension or composition to its creditors generally.

7.1.11. No Brokers. Seller is a party to no listing agreements, brokerage agreements, Leases or other comparable agreements (collectively, "**Brokerage Agreements**") in connection with the Property, and pursuant to which a leasing commission or finder's fee may be payable subsequent to Closing.

7.2. Limitations. The representations and warranties of Seller to Buyer contained in this Section, as modified by the Approval Date Certificate (as hereinafter defined) and the Closing Date Certificate (as hereinafter defined), shall survive the Closing Date and the transfer of the Property for a period of three (3) years.

7.2.1. Representation Condition.

7.2.1.1. It shall be a condition precedent to Buyer's obligation to proceed to Closing that all of the Seller Representations that were true and correct as of the Approval Date remain true and correct as of the Closing Date (the "Representation Condition").

7.2.1.2. For purposes of determining those Seller Representations that remain true and correct as of the Approval Date, Seller shall deliver to Buyer, on or prior to the Approval Date, a certificate (the "Approval Date Certificate") certifying that all of the Seller Representations made as of the Effective Date remain true and

correct as of the Approval Date except for changes and qualifications specified by Seller in such Approval Date Certificate such that the Approval Date Certificate is not untrue.

7.2.1.3. If Seller fails to provide an Approval Date Certificate, Seller shall be deemed to have certified (subject to the limitations hereinafter set forth) that all of the Seller Representations hereunder remain true and correct as of the Approval Date. The representations, warranties and certifications contained in such Approval Date Certificate, whether provided or deemed provided, shall be made by Seller to the standard of knowledge, if any, contained herein for the applicable representations, warranties or certifications and subject to all of the terms, conditions and limitations contained in Section 7.2 of this Agreement.

7.2.1.4. Notwithstanding anything contained herein to the contrary, if the Approval Date Certificate indicates that any Seller Representations are not true and correct as of the Approval Date (or were not true and correct as of the Effective Date), or if Buyer otherwise determines or becomes aware, prior to the Approval Date, that any Seller Representations are untrue or inaccurate Buyer may, in its sole discretion and as its sole and exclusive remedy hereunder, at law or in equity, elect either to (i) terminate this Agreement by delivery of written notice to Seller not later than the Approval Date, whereupon neither party shall have any further liability hereunder, except for those liabilities that expressly survive a termination of this Agreement; or (ii) proceed to Closing and accept the untruth or inaccuracy of the applicable Seller Representations with no further right to terminate the Agreement (or pursue any other right or remedy) on the basis of the untruth or inaccuracy thereof.

8. COUNTY APPROVAL OF AGREEMENT.

In addition to the other conditions precedent to the obligations of Buyer under this Agreement and with respect to the purchase of the Property, Seller and Buyer acknowledge that the obligations of Buyer to purchase the Property are expressly conditioned upon approval of this Agreement by the County Council of Harford County, Maryland, and by the Harford County Board of Estimates (collectively, "County Approvals"). If County Approvals shall not have been obtained by the conclusion of the Approval Date then, unless the parties otherwise agree in writing, this Agreement shall terminate and neither party shall thereafter have any further liability to the other hereunder with respect to the purchase of the Property except for those liabilities that expressly survive a termination of this Agreement.

9. ACTIONS AFTER THE EFFECTIVE DATE.

The parties covenant to do the following through the Closing Date:

9.1. Title.

9.1.1. From and after the Approval Date, Seller shall not make any change to the condition of title to either or both of the Land and the Improvements that would change the condition of title approved or deemed approved by Buyer pursuant to Section 6.3, except as required by law or by Section 6.3, or with Buyer's advance written consent, which consent may be withheld only in the reasonable exercise of Buyer's discretion.

9.1.2. From and after the Approval Date, and except with respect to normal leasing activities at the Land and the Improvements (in accordance with Section 9.3 below), Seller shall not sell, or assign or create any right, title or interest in, any or all of the Land, the Improvements and any part of either of them, or create any lien, encumbrance or charge thereon, without the prior written consent of Buyer, which consent may be withheld in Buyer's sole discretion.

9.2. Maintenance and Operation of Property. Seller shall maintain the Land and the Improvements in substantially its current condition (normal wear and tear and damage by casualty excepted); shall maintain existing insurance coverage in full force and effect; and shall operate and maintain the Land and the Improvements in the ordinary course of Seller's business. From and after the Approval Date, and except with respect to normal leasing activities at the Land and the Improvements (in accordance with Section 9.3 below), Seller shall not enter into any New Contracts with respect to the ownership and operation of the Land and the Improvements that would be binding on Buyer or the Property after Closing, without Buyer's prior written approval (which approval may be withheld in Buyer's sole discretion).

9.3. **Leasing Activities.** During the term of this Agreement but prior to the Approval Date Seller may continue to enter into new leases, licenses or occupancy agreements for all or some portion of the Land and the Improvements in the ordinary course of Seller's ownership and operation of the Property, including, without limitation, any amendments, renewals, expansions or modifications to, or termination of, any Existing Leases, as well as amendments, modifications, renewals or expansions of any Existing Lease pursuant to the terms of such Existing Lease (all of the foregoing, a "New Lease") provided that no such New Lease shall be binding on Buyer or the Property after Closing, without Buyer's prior written approval (which approval may be withheld in Buyer's sole discretion). Seller shall give prompt notice of any New Lease transactions to Buyer as and when the same are concluded.

9.4. Lease Enforcement. Prior to the Closing Date, Seller shall exercise commercially reasonable efforts to enforce the rights and remedies of the landlord under any Existing Lease or New Lease, by summary proceedings or otherwise, and to apply all or any portion of any security deposit then held by Seller toward any loss or damage incurred by Seller by reason of any defaults by tenants, and the exercise of any such rights or remedies shall not affect the obligations of Buyer under this Agreement in any manner. Seller shall advise Buyer promptly of any default by any tenant under any Existing Lease, as well as with respect to any collection or enforcement action proposed to be undertaken by Seller.

10. **PROPERTY SOLD "AS IS".**

Except as is otherwise expressly provided in this Agreement, Seller hereby specifically disclaims any warranty (oral or written) concerning: (i) the nature and condition of the Property and the suitability thereof for any and all activities and uses that Buyer elects to conduct thereon; (ii) the manner, construction, condition and state of repair or lack of repair of the Improvements; (iii) the compliance of the Land and the Improvements or their operation with any laws, rules, ordinances or regulations of any government or other body; and (iv) any other matter whatsoever except as expressly set forth in this Agreement.

11. SELLER'S CLOSING DELIVERIES.

At Closing (or such other times as may be specified below), Seller shall deliver or cause to be delivered to Buyer the following:

11.1. Deed. A Deed to the Property containing covenants of special warranty and further assurances, conveying title to the Property subject to the Permitted Exceptions.

11.2. Keys. Keys to all locks located in the Improvements.

11.3. Affidavit of Title. An affidavit of title (or comparable "no lien" statement), in form and substance reasonably acceptable to the Title Company.

11.4. **Closing Statement.** Two (2) duly executed counterparts of a closing statement (the "Closing Statement") conforming to the prolation and other relevant provisions of this Agreement, which Closing Statement shall be in a form mutually and reasonably agreed upon by Seller and Buyer.

11.5. Transfer Certificate. A Transfer Certification confirming that Seller is a "United States Person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended.

11.6. Title Certifications. The Buyer's title insurer shall receive such written statements or affidavits as are reasonably required for such insurer to a title policy in the form requested by Buyer, but subject to the reasonable review and approval of Seller, Buyer and their respective counsel, including, but not limited to the issuance of a non-imputation endorsement.

11.7. Insurance Cancellations. Evidence of cancellation or termination of any and all policies of insurance disclosed to Buyer pursuant to Section 4.

11.8. Closing Date Certificate. For purposes of determining whether the Representation Condition has been satisfied, Seller shall deliver to Buyer at Closing a certificate (the "Closing Date Certificate") certifying that all of the Seller Representations that were true and correct as of the Approval Date (as reflected in the Approval Date Certificate) remain true and correct, as of the Closing Date and in all material respects, except for changes and qualifications specified in such Closing Date Certificate, such that the Closing Date Certificate is true and accurate in all material respects. The representations, warranties and certifications contained in the Closing Date Certificate shall be made by Seller to the standard of knowledge, if any, contained herein for the applicable representations, warranties or certifications and subject to all of the terms, conditions and limitations contained in Section 7.2 of this Agreement. Notwithstanding anything contained herein to the contrary, if, as of the Closing, the Representation Condition is not fulfilled for any reason or any Seller Representations are not true and correct, in any material respect, Buyer may, in its sole discretion and as its sole remedy, hereunder, at law or in equity, elect either to (i) terminate this Agreement by delivery of written notice to Seller not later than the Closing Date, whereupon neither party shall have any further liability hereunder except for those liabilities that expressly survive a termination of this Agreement, or (ii) proceed to Closing and waive the failure of the Representation Condition.

If, prior to Closing, all or any portion of any or all of the Land and the Improvements is damaged by fire or other natural casualty (collectively "Damage"), or is taken or made subject to condemnation, eminent domain or other governmental acquisition proceedings (collectively "Eminent Domain"), then:

15.1. If the aggregate cost of repair or replacement or the value of the Eminent Domain (collectively, "**repair and/or replacement**") is \$50,000.00 or less, in the opinion of Buyer's and Seller's respective engineering consultants, Buyer shall close and take Property and the Property as diminished by such events, with an assignment by Seller of (a) any casualty insurance proceeds owing to Seller (together with a credit from Seller to Buyer of the full amount of any deductible not paid directly by Seller) or (b) condemnation proceeds, and in the case of either (a) or (b), less any amounts reasonably incurred by Seller to repair the Property and collect the insurance proceeds or condemnation award.

15.2. If the aggregate cost of repair and/or replacement is greater than \$50,000.00, in the opinion of Buyer's or Seller's respective engineering consultants, then Buyer, at its sole option, may elect either to (i) terminate this Agreement by written notice to Seller delivered within ten (10) days after Buyer is notified of such Damage or Eminent Domain, in which event neither party shall have any further liability to the other hereunder, except for those liabilities that expressly survive a termination of this Agreement; or (ii) proceed to close and take Property and the Property as diminished by such events, together with an assignment of the proceeds of Seller's casualty insurance (together with a credit from Seller to Buyer of the full amount of any deductible not paid directly by Seller) for all Damage (or condemnation awards for any Eminent Domain), less any amounts reasonably incurred by Seller to repair the Property and collect the insurance proceeds or condemnation award.

16. DEFAULT.

16.1. Default by Seller. If Seller is in default under any of the covenants and agreements of Seller hereunder, Buyer may either (i) terminate Buyer's obligations under this Agreement by written notice to Seller, in which event neither party shall have any further liability hereunder except for those liabilities that expressly survive a termination of this Agreement; or (ii) Buyer may file an action for specific performance or (iii) exercise any other remedy available to Buyer at law or equity.

16.2. Default by Buyer. If Buyer is in default under any of the covenants and agreements of Buyer hereunder, Seller may either (i) terminate Seller's obligations under this Agreement by written notice to Buyer, in which event neither party shall have any further liability hereunder except for those liabilities that expressly survive a termination of this Agreement; or (ii) Seller may file an action for specific performance within sixty (60) days following the date of the action or inaction of Buyer giving rise to the default (time being of the essence) or (iii) exercise any other remedy available to Buyer at law or equity; provided that in no event shall the liability of Buyer hereunder exceed the amount of the Purchase Price in any event.

17. SUCCESSORS AND ASSIGNS.

Neither party shall assign this Agreement without the prior written consent of the other.

19. NOTICES.

U.S. Govt. Printing Office: 4850-97725-28001-9500/95-000-452, 52-221000-00 (28 1994)

20. BENEFIT.

This Agreement is for the benefit only of the parties hereto and no other person or entity shall be entitled to rely hereon, receive any benefit herefrom or enforce against any party hereto any provision hereof.

21. BROKERAGE.

Each party hereto represents and warrants to the other that it has dealt with no brokers or finders ("Broker") in connection with this transaction. Each party hereby indemnifies, protects, defends and holds the other party harmless from and against all losses suffered or incurred by such other party resulting from the claims of any Broker claiming by, through or under the acts or agreements of the indemnifying party.

22. MISCELLANEOUS.

22.1. Entire Agreement. This Agreement constitutes the entire understanding between the parties with respect to the transaction contemplated herein, and all prior or contemporaneous oral agreements, understandings, representations and statements, and all prior written agreements, understandings, letters of intent and proposals are merged into this Agreement. Neither this Agreement nor any provisions hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such instrument.

22.2. Time of the Essence. Time is of the essence of this Agreement. If any date herein set forth for the performance of any obligations by Seller or Buyer or for the delivery of any instrument or notice as herein provided should be on a Saturday, Sunday or legal holiday, the compliance with such obligations or delivery shall be deemed acceptable on the next business day following such Saturday, Sunday or legal holiday. As used herein, the term "legal holiday" means any state or federal holiday for which financial institutions or post offices are generally closed in the State of Maryland for observance thereof.

22.3. Calculation Of Time. In computing any period of time prescribed or allowed by any provision of this Agreement, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or a legal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday, or legal holiday. Unless otherwise provided herein, all notice and other periods expire as of 5:00 p.m., Eastern Time on the last day of the notice or other period.

22.4. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland.

22.5. Partial Invalidity. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or enforceability of any one provision shall not affect the validity of enforceability of any other provision hereof.

22.7. Counterparts; Facsimile. This Agreement may be executed in multiple counterparts and shall be valid and binding with the same force and effect as if all parties had executed the same Agreement. A fully executed facsimile copy of this Agreement shall be effective as an original.

22.8. Construction of Agreement. In construing this Agreement, all headings and titles are for the convenience of the parties only and shall not be considered a part of this Agreement. Whenever required by the context, the singular shall include the plural and the masculine shall include the feminine and vice versa. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it. All Exhibits attached hereto are incorporated in this Agreement by reference thereto.

22.9. No Oral Modification or Waiver. This Agreement may not be changed or amended orally, but only by an agreement in writing. No waiver shall be effective hereunder unless given in writing, and waiver shall not be inferred from any conduct of either party.

22.10. Survival. Only those covenants, agreements, undertakings and representations and warranties of Seller that expressly survive Closing pursuant to the terms of the Agreement shall survive Closing and the delivery of any conveyance documentation for the period herein set forth and all of the other covenants, agreements, undertakings and representations and warranties of Seller contained herein shall not survive Closing and shall merge into the conveyance documentation delivered at Closing.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement of Purchase and Sale on the date first above written.

SELLER:

PACA LIMITED, INC., a Maryland corporation

By: _____

Robert F. Wilson, Jr., Vice-President

WITN: 12-18-54

BUYER:

HARFORD COUNTY, MARYLAND

By: _____

David R. Craig, County Executive

EXHIBIT C

DOCUMENTS

Each to the extent in the Seller's or Seller's possession or reasonable control:

- (i) Evidence of ownership of the Property by the Seller including, title insurance policy, title instruments, subdivision plats, and all agreements, recorded or unrecorded, which pertain to the Property;
- (ii) The latest as-built plans or surveys of the Property prepared by a registered or licensed surveyor;
- (iii) Plans, specifications, floor plans, and engineer's reports for the Property;
- (iv) All third-party Environmental reports for the Property;
- (v) All maintenance, property management, brokerage, and service contracts for the Property;
- (vi) All equipment and building warranties; and
- (vii) Geotechnical reports, soil boring logs, or similar information pertaining to the Property.

Client Documents 4386-6722-0707v100719-00047E11267287P112-21 PM

EXHIBIT D
DISCLOSURE ITEMS

7.1.1. **Litigation.** *Paca Limited, Inc. v. Harford County, in the Circuit Court For Harford County, Maryland, Case No. 12-C-07-001368.* shall be dismissed with prejudice on or before the Closing Date.

EXHIBIT B

Form of Installment Purchase Agreement

INSTALLMENT PURCHASE AGREEMENT

THIS INSTALLMENT PURCHASE AGREEMENT is made as of the ____ day of _____, 2008 between PACA LIMITED, INC., a Maryland Corporation (the "Seller") and HARFORD COUNTY, MARYLAND, a body politic and corporate of the State of Maryland (the "County").

RECITALS

A. The Seller is the owner in fee simple of certain real property and improvements located in Harford County, Maryland and more particularly described in Exhibit A to the Agreement of Purchase and Sale (hereinafter defined) (the "Land"). The Seller has offered to sell to the County the Land and the County has accepted such offer, and the offered Purchase Price shall be subject to the conditions set forth in this Agreement.

B. The Seller owns 16,500 square feet of Land, more or less, which the County is authorized to acquire.

C. The County may use the Land for any lawful purposes.

AGREEMENTS

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, the Seller and the County hereby agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. As used in this Agreement, the following terms have the following meanings, unless the context clearly indicates a different meaning:

"Agreement of Purchase and Sale" means the agreement executed by the Seller and the County on _____, approved by the County Council on _____, for the purchase and sale of the Land.

"Business Day" or "business day" means a day on which (a) banks located in each of the cities in which the principal office of the County or the Registrar is located are not required or

BILL NO. 07-54

1 authorized by law or executive order to close for business, and (b) The New York Stock
2 Exchange is not closed.

3
4 "Closing Date" means September __, 2008, the date of execution and delivery of this
5 Agreement by the parties.

6
7 "Code" means the Internal Revenue Code of 1986, as amended. Each reference to the
8 Code herein shall be deemed to include the United States Treasury Regulations in effect or
9 proposed from time to time with respect thereto.

10
11 "County" means Harford County, Maryland, a body politic and corporate and a political
12 subdivision created and existing under and by virtue of the Constitution and laws of the State, its
13 successors and assigns.

14
15 "County Council" means the County Council of Harford County, Maryland.

16
17 "County Executive" means the County Executive of Harford County, Maryland.

18
19 "Deed" means the Deed dated September __, 2008, from the Seller to the County, which
20 shall convey the Land to the County in perpetuity, substantially in form attached hereto as
21 Exhibit A.

22
23 "Enabling Legislation" means, collectively, (1) Section 524 of the Harford County
24 Charter and (2) Bill No. 07-54 passed by County Council on _____, approved by
25 the County Executive on _____, effective _____.

26
27 "Interest Payment Date" means _____ in each year commencing _____,
28 2009.

29
30 "Land" means the tract of land located in Harford County, Maryland, containing
31 approximately 16,500 square feet, and more particularly described in Exhibit A attached to the
32 Deed and made a part thereof and by reference a part hereof.

33
34 "Permitted Encumbrances" means the encumbrances listed on Exhibit B attached hereto
35 and made a part hereof and any encumbrances on or with respect to the Land or any portion
36 thereof hereafter approved by the County.

37
38 "Person" or "person" means any natural person, firm, association, corporation, company,
39 trust, partnership, public body or other entity.

40
41 "Purchase Price" means One Million Eight Hundred Thousand Dollars (\$1,800,000.00),
42 the purchase price to be paid by the County to the Registered Owner in accordance with the
43 Agreement of Purchase and Sale.

44
45 "Registered Owner" means the registered owner of this Agreement as shown on the
46 registration books maintained by the Registrar.

1 "Registrar" means the Treasurer of the County, or any other person hereafter appointed by
2 the County to act as Registrar and paying agent for this Agreement.

3
4 "Seller" means Paca Limited, Inc., a Maryland Corporation, its successors, and assigns,
5 and any other person who becomes the owner of the Land.

6
7 "State" means the State of Maryland.

8
9 **SECTION 1.2. Rules of Construction.** The words "hereof", "herein", "hereunder",
10 "hereto", and other words of similar import refer to this Agreement in its entirety.

11
12 The terms "agree" and "agreements" contained herein are intended to include and mean
13 "covenant" and "covenants".

14
15 References to Articles, Sections, and other subdivisions of this Agreement are to the
16 designated Articles, Sections, and other subdivisions of this Agreement.

17
18 The headings of this Agreement are for convenience only and shall not define or limit the
19 provisions hereof.

20
21 All references made (a) in the neuter, masculine or feminine gender shall be deemed to
22 have been made in all such genders, and (b) in the singular or plural number shall be deemed to
23 have been made, respectively, in the plural or singular number as well.

24
25
26 **ARTICLE II**

27
28 **SALE AND PURCHASE OF DEVELOPMENT RIGHTS**

29
30 **SECTION 2.1. Agreement to Sell and Purchase Land.** The Seller agrees to sell the Land
31 to the County and the County agrees to purchase the Land from the Seller on the date hereof for a
32 purchase price of \$1,800,000 (the "Purchase Price"), of which \$ _____ has been paid on
33 the Closing Date and \$ _____ will be paid on _____ representing the
34 deferred portion of the Purchase Price.

35
36 **SECTION 2.2. Delivery of Deed of Easement.** In order to evidence the sale of the Land
37 to the County, the Seller shall execute and deliver to the County on the Closing Date the Deed.
38 The Deed shall be recorded among the Land Records of Harford County, Maryland.

39
40
41 **ARTICLE III**

42
43 **PAYMENT OF PURCHASE PRICE**

44
45 **SECTION 3.1. Payment of Purchase Price.**

(a) The County shall pay a portion of the Purchase Price in the amount of _____ Dollars (\$ _____) to the Seller on the Closing Date and shall pay the balance of the Purchase Price to the Registered Owner on _____, 2018 (the "Installment Payment Date"), in the amounts set forth in Schedule I attached hereto and made a part hereof.

(b) Interest on the unpaid balance of the Purchase Price shall accrue from the date hereof and shall be payable to the Registered Owner on _____, 2009 and annually thereafter in each year to and including _____, 2018 at the rate of 5.75% per annum. Interest shall be calculated on the basis of a 360-day year of twelve 30-day months.

(c) Both the installments of the Purchase Price and the interest on the unpaid balance thereof are payable in lawful money of the United States of America, at the time of payment.

(d) Payment of interest on the unpaid balance of the Purchase Price shall be made by the County on each Interest Payment Date to the Registrar. Payments of the principal installments of the Purchase Price shall be made on each Installment Payment Date to the Registrar. The Registrar shall forward all such payments (other than the final installment of the Purchase Price) to the person appearing on the books of the County maintained by the Registrar as the Registered Owner, by check or draft mailed to the Registered Owner at the address of the Registered Owner as it appears on such registration books or, if the Registered Owner is a trustee who has issued certificates of participation in this Agreement, by wire transfer to such Registered Owner to the bank account number on file with the Registrar on the tenth day before the applicable Interest Payment Date or Installment Payment Date, or if such tenth day is not a Business Day, the Business Day next preceding such day. The final installment of the Purchase Price shall be paid by the Registrar to the Registered Owner upon presentation and surrender of this Agreement at the office of the Registrar.

(e) The County's obligation to make payments of the Purchase Price hereunder and to pay interest on the unpaid balance of the Purchase Price is a general obligation of the County, and the full faith and credit and the taxing power of the County are irrevocably pledged to the punctual payment of the Purchase Price and the interest on the unpaid balance of the Purchase Price as and when the same respectively become due and payable.

SECTION 3.2. Registration and Transfer of this Agreement.

(a) Until the Purchase Price and all interest thereon have been paid in full, the Registrar, on behalf of the County, shall maintain and keep at the offices of the Registrar, registration books for the registration and transfer of this Agreement. The ownership of this Agreement may not be transferred or assigned, except upon the written approval of the County.

(b) The original Seller is the original Registered Owner. This Agreement shall be transferable only upon the written approval of the County and upon the books of the County maintained for such purpose by the Registrar, at the written request of the Registered Owner as then shown on such registration books or his attorney duly authorized in writing, upon presentation and surrender thereof, together with a written instrument of transfer substantially in

the form attached hereto as Exhibit C, or as may otherwise be satisfactory to and approved by the Registrar in writing, duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the surrender for transfer of this Agreement, the Registrar shall complete the Schedule of Transferees attached hereto as Exhibit D with the name, address and tax identification number of the transferee Registered Owner, the date of the transfer and the outstanding principal balance of the Purchase Price as of the date of transfer; provided, however, that if there is any conflict between the information set forth in Exhibit D hereto and the registration books maintained by the Registrar, the information shown on such registration books shall control.

The County and the Registrar may deem and treat the person in whose name this Agreement is registered upon the books of the County maintained by the Registrar as the absolute owner of this Agreement, whether any payments hereunder shall be overdue or not, for the purpose of receiving payment of, or on account of, the Purchase Price and interest thereon and for all other purposes, and all such payments so made to any such Registered Owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon this Agreement to the extent of the sum or sums so paid, and neither the County nor the Registrar shall be affected by any notice to the contrary.

For every registration of transfer of this Agreement, the County or the Registrar may make a charge sufficient to reimburse themselves for any tax or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of registering such transfer.

SECTION 3.3. Mutilated, Lost, Stolen or Destroyed Agreement. In the event that this Agreement is mutilated, lost, stolen or destroyed, the County and the Registered Owner (as then shown on the registration books maintained by the Registrar) shall execute a substitute for this Agreement having the same terms as that of this Agreement mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Agreement, such mutilated Agreement shall first be surrendered to the Registrar, and, in the case of any lost, stolen or destroyed Agreement there shall be first furnished to the County and the Registrar evidence of such loss, theft or destruction satisfactory to the County and the Registrar, together with indemnity satisfactory to each of them in their sole discretion. The County and the Registrar may charge the Registered Owner requesting such new Agreement their expenses and reasonable fees, if any, in this connection. If after the delivery of such substitute Agreement, a bona fide purchaser of the original Agreement (in lieu of which such substitute Agreement was issued) presents for payment such original Agreement, the County and the Registrar shall be entitled to recover such substitute Agreement from the person to whom it was delivered or any other person who receives delivery thereof, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor or otherwise to the extent of any loss, damage, cost or expense incurred by the County and the Registrar in connection therewith.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.1. Representations and Warranties of the County. The County makes the following representations and warranties:

(a) The County is a body politic and corporate and a political subdivision of the State.

(b) The County has the necessary power and authority to acquire the Land, to enter into this Agreement, to perform and observe the covenants and agreements on its part contained in this Agreement and to carry out and consummate all transactions contemplated hereby. By proper action, the County has duly authorized the execution and delivery of this Agreement.

(c) This Agreement has been duly and properly authorized, executed, sealed and delivered by the County, constitutes the valid and legally binding obligation of the County, and is enforceable against the County in accordance with its terms.

(d) There are no proceedings pending or, to the knowledge of the County, threatened before any court or administrative agency which may affect the authority of the County to enter into this Agreement.

SECTION 4.2. Representations and Warranties of the Original Seller. The original Seller makes the following representations and warranties with respect to itself, but not with respect to any transferee Seller:

(a) The Seller has full power and authority to execute and deliver this Agreement and the Deed, and to incur and perform the obligations provided for herein and therein. No consent or approval of any person or public authority or regulatory body is required as a condition to the validity or enforceability of this Agreement or the Deed of Easement, or, if required, the same has been duly obtained.

(b) This Agreement and the Deed have been duly and properly executed by the Seller, constitute valid and legally binding obligations of the Seller, and are fully enforceable against the Seller in accordance with their respective terms.

(c) There is no litigation or proceeding pending or, so far as the Seller knows, threatened before any court or administrative agency which, in the opinion of the Seller, will materially adversely affect the authority of the Seller to enter into, or the validity or enforceability of, this Agreement or the Deed.

(d) There is (i) no provision of any existing mortgage, indenture, contract or agreement binding on the Seller or affecting the Land, and (ii) to the knowledge of the Seller, no provision of law or order of court binding upon the Seller or affecting the Land, which would conflict with or in any way prevent the execution, delivery, or performance of the terms of this Agreement or the Deed, or which would be in default or violated as a result of such execution, delivery or performance, or for which adequate consents, waivers or, if necessary, subordinations, have not been obtained.

(e) There exist no liens or security interests on or with respect to the Land (other than Permitted Encumbrances).

(f) The Seller is not a nonresident alien of the United States of America for purposes of federal income taxation.

(g) The Tax Identification Number of the Seller is 52-0854251. The Seller shall, upon request of the County, execute Treasurer Form W-9 and deliver the same to the County for filing.

The representations in subsections (f) and (g) above are made under penalties of perjury and the information contained therein may be disclosed by the County to the Internal Revenue Service. The Seller acknowledges that any false statement in such subsections could be punished by fine, imprisonment or both.

ARTICLE V

PROVISIONS RELATING TO EXCLUSION OF INTEREST FROM INCOME FOR FEDERAL INCOME TAXATION

SECTION 5.1. Intent of County and Tax Covenant of County. The County intends that the interest payable under this Agreement shall not be includible in the gross income of the Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code. Accordingly, the County shall not knowingly take or permit to be taken any other action or actions or omit or fail to take any action, which would cause this Agreement to be an "arbitrage bond" within the meaning of Section 148 of the Code, or which would otherwise cause interest payable under this Agreement to become includible in the gross income of any Registered Owner for purposes of federal income taxation pursuant to Section 148 of the Code.

SECTION 5.2. Acknowledgment of Seller with Regard to Tax Consequences of Transaction. The Seller has received an opinion from Miles & Stockbridge P.C., Bond Counsel, dated the date hereof, to the effect that under existing laws, regulations, rulings and decisions, interest payable under this Agreement is not includible in the gross income of the Seller for federal income tax purposes, which opinion assumes continuous compliance with certain covenants in the Tax Certificate and Compliance Agreement to be executed and delivered by the County on the date of delivery of this Agreement and is otherwise limited in accordance with its terms. The Seller acknowledges that they have made their own independent investigation and have consulted with attorneys, accountants and others selected by the Seller in the Seller's sole discretion with respect to all other tax considerations related to the transaction contemplated hereby (including, but not limited to, installment sales treatment under Section 453 of the Code, charitable contribution deductions under Section 170 of the Code, and federal estate tax implications); and the Seller certifies that the Seller has not looked to or relied upon the County or any of its officials, agents or employees, or to Bond Counsel, with respect to any of such matters.

ARTICLE VI

THE REGISTRAR

SECTION 6.1. Appointment of Registrar. The Treasurer of the County, is hereby designated and appointed to act as Registrar for this Agreement.

SECTION 6.2. Change of Registrar and Appointment of Successor Registrar. The County shall have the right, subject to the terms of any agreement with the Registrar, to change the Registrar at any time by filing with the Registrar to be removed, and with the Registered Owner, an instrument in writing. Notwithstanding the foregoing, such removal shall not be effective until a successor Registrar has assumed the Registrar's duties hereunder.

SECTION 6.3. Qualifications of Successor Registrar. Any successor Registrar shall be either (a) the Treasurer of the County, (b) an officer or employee of the County, or (c) a bank, trust company or other financial institution duly organized under the laws of the United States or any state or territory thereof which is authorized by law and permitted under the laws of the State to perform all the duties imposed upon it as Registrar by this Agreement.

SECTION 6.4. Successor by Merger or Consolidation. If the Registrar is a bank, trust company or other financial institution, any institution or corporation into which the Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Registrar hereunder shall be a party or any institution or corporation succeeding to the corporate trust business (if any) of the Registrar, shall be the successor Registrar under this Agreement, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Agreement to the contrary notwithstanding.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Successors of County. In the event of the dissolution of the County, all the covenants, stipulations, promises and agreements in this Agreement contained, by or on behalf of, or for the benefit of, the County, the Seller, any other Registered Owner and the Registrar, shall bind or inure to the benefit of the successors of the County from time to time and any entity, officer, board, commission, agency or instrumentality to whom or to which any power or duty of the County shall be transferred.

SECTION 7.2. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Agreement expressed or implied is intended or shall be construed to confer upon any person, firm or corporation, other than the County, the Seller, any other Registered Owner and the Registrar, any right, remedy or claim under or by reason of this Agreement, this Agreement being intended to be for the sole and exclusive benefit of the County, the Seller, any other Registered Owner from time to time of this Agreement and the Registrar.

SECTION 7.3. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective heirs, personal representatives, successors and assigns, including, without limitation, all Registered Owners from time to time of this Agreement.

SECTION 7.4. Severability. In case any one or more of the provisions of this Agreement shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Agreement and this Agreement shall be construed and enforced as if such illegal or invalid provisions had not been contained herein or therein.

SECTION 7.5. Prior Agreements Canceled; No Merger. This Agreement shall completely and fully supersede all other prior agreements, both written and oral, between the County and the Seller relating to the acquisition of the Development Rights. Neither the County nor the Seller shall hereafter have any rights under such prior agreements but shall look solely to this Agreement and the Deed for definitions and determination of all of their respective rights, liabilities and responsibilities relating to the Land and the payment for the Land. In addition, this Agreement shall survive the execution and recording of the Deed in all respects and shall not be merged therein.

SECTION 7.6. Amendments, Changes and Modifications. This Agreement may not be amended, changed, modified, altered or terminated except by an agreement in writing between the County and the then-Registered Owner. An executed counterpart of any such amendment shall be attached to this Agreement and shall be binding upon such Registered Owner and all successor Registered Owners.

SECTION 7.7. No Personal Liability of County Officials. No covenant or agreement contained in this Agreement shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the County in his or her individual capacity, and neither the officers or employees of the County nor any official executing this Agreement shall be liable personally on this Agreement or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 7.8. Governing Law. The laws of the State shall govern the construction and enforcement of this Agreement.

SECTION 7.9. Notices. Except as otherwise provided in this Agreement, all notices, demands, requests, consents, approvals, certificates or other communications required under this Agreement to be in writing shall be sufficiently given and shall be deemed to have been properly given three Business Days after the same is mailed by certified mail, postage prepaid, return receipt requested, addressed to the person to whom any such notice, demand, request, approval, certificate or other communication is to be given, at the address for such person designated below:

County:	Harford County, Maryland
	County Office Building
	220 South Main Street
	Bel Air, Maryland 21014
	Attention: Treasurer

with a copy to: Robert S. McCord, Esquire
County Attorney
County Office Building
220 South Main Street
Bel Air, Maryland 21014

Seller: Paca Limited, Inc.
9 South Hickory Avenue
Bel Air, Maryland 21014

Registrar: John R. Scotten, Jr.
Treasurer
County Office Building
220 South Main Street
Bel Air, Maryland 21014

Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, demands, requests, consents, approvals, certificates or other communications shall be sent hereunder.

SECTION 7.10. Holidays. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Agreement, shall not be a Business Day, such payment may, unless otherwise provided in this Agreement, be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Agreement, and in the case of payment no interest shall accrue for the period after such nominal date.

WITNESS the signatures and seals of the parties hereto as of the date first above written.

HARFORD COUNTY, MARYLAND

[COUNTY'S SEAL]

By: _____
David R. Craig
County Executive

ATTEST:

Lorraine Costello
Director of Administration

1 WITNESS:
2
3
4
5
6
7

PACA LIMITED, INC.

By: _____ (SEAL)
Robert S. Kahoe, Vice President

SELLER

SCHEDULE I

INSTALLMENTS OF
DEFERRED PORTION OF PURCHASE PRICE
(PACA LIMITED, INC.)

Date of Payment

Amount Payable

_____, 2018

Plus initial payment of purchase
price on _____, 2008

\$ _____

TOTAL

\$1,800,00.00

**EXHIBIT B
TO INSTALLMENT
PURCHASE AGREEMENT**

PERMITTED ENCUMBRANCES

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company (all clauses, if any, which indicate any preference, limitation or discrimination based on race, color, religion or national origin are omitted from all building and use restrictions, covenants and conditions, if any, shown herein):

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for the value of record the estate or interest or mortgage thereon covered by this commitment.
2. Rights or claims of parties other than the insured in actual possession of any or all of the property.
3. Special assessments against the property which are not shown as existing liens by the public records.
4. Real estate taxes, other public charges (including, but not limited to, assessments by any county, municipality, Metropolitan District or Commission) and the balance of any such changes payable on an annual basis which are not yet due and payable.

**EXHIBIT C
TO INSTALLMENT
PURCHASE AGREEMENT**

ASSIGNMENT

FOR VALUE RECEIVED, _____ (the "Registered Owner"), subject to the approval of Harford County, Maryland, hereby sell[s], assign[s] and transfer[s] unto _____, without recourse, all of the Registered Owner's right, title and interest in and to the Installment Purchase Agreement to which this Assignment is attached; and the Registered Owner's hereby irrevocably directs the Registrar (as defined in such Agreement) to transfer such Agreement on the books kept for registration thereof. The Registered Owner hereby represents, warrants and certifies that there have been no amendments to such Agreement [except _____].

Date: _____

WITNESS OR ATTEST: . _____

NOTICE: The signature on this Assignment must correspond with of the name of the Registered Owner as it appears on the registration books for the Installment Purchase Agreement referred to herein in every particular, without alteration or enlargement or any change whatever.

ADD NOTARY ACKNOWLEDGMENT

Transfer of the foregoing Installment Purchase Agreement, as indicated above is approved this ____ day of _____, 20__.

Harford County, Maryland

By: _____
David R. Craig
County Executive

EXHIBIT D
TO INSTALLMENT
PURCHASE AGREEMENT

TRANSFER OF AGREEMENT - SCHEDULE OF TRANSFEREES

The transfer of this Installment Purchase Agreement may be registered only by the Registered Owner under such Agreement in person or by its duly authorized officer or attorney upon approval by Harford County, Maryland upon presentation hereof to the Registrar, who shall make note thereof in the books kept for such purpose and in the registration blank below.

[illegible]